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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

LEHMAN BROTHERS HOLDINGS INC., *et al.*,
Debtors.

Chapter 11 Case No.

08-13555 (JMP)

(Jointly Administered)

Exhibit 4

*****Excerpts*****

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UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

Case No. 08-13555

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In the Matter of:

LEHMAN BROTHERS HOLDINGS, INC., et al

Debtors.

- - - - -x

United States Bankruptcy Court

One Bowling Green

New York, New York

September 17, 2008

4:28 PM

B E F O R E:

HON. JAMES M. PECK

U.S. BANKRUPTCY JUDGE

VERITEXT REPORTING COMPANY

212-267-6868

516-608-2400

1 been incomprehensible, Your Honor, to believe that an
2 organization that has been in existence for 158 years and has
3 become a worldwide leader in the financial community with over
4 25,000 employees would basically close its doors four days
5 later. The consequences of the economic and financial
6 conditions that all thought were contained in 2007 are a direct
7 cause of what has happened to Lehman Brothers, Your Honor.

8 For months, the company has been pursuing strategic
9 alternatives. The objective has been to protect the public
10 customers, preserve values and assist in avoiding the
11 deterioration of the financial markets. The parties to a
12 proposal which we think, Your Honor, will accomplish that
13 objective are the two debtors and the broker dealer subsidiary
14 Lehman Brothers Inc., Your Honor. And I might say, Your Honor,
15 there are 630,000 accounts having a value of 138 billion
16 dollars that are dependent upon the consummation of a
17 transaction which will allow this business to continue albeit

18 under the auspices of another entity. And since last Thursday
19 night, Your Honor, people have been working around the clock in
20 a Herculean effort to try and accomplish a transaction which
21 would protect the public interest, stabilize the public markets
22 and offer some assurance to employees. And I think, Your

23 Honor, if Your Honor had passed the Lehman Brothers building
24 last Thursday night -- or last Friday night, I should say, Your
25 Honor, and Saturday and watch the employees filling up their

1 In addition to that, Your Honor, in connection with
2 the assumption and assignment of contracts, the cure amounts
3 and other payments in connection with the contracts, are
4 estimated to be a billion five hundred million dollars. So we
5 have four billion dollars right there, Your Honor.

6 In addition, Your Honor, the purchaser is paying 250
7 million dollars for the goodwill of LBI. So there you have
8 4,250,000,000 dollars in that respect, Your Honor.

9 And then, Your Honor, in the interim, LBI has entered
10 into an arrangement with the prospective purchaser where
11 there's a repo agreement in which they are backing up and
12 allowing these repos to be settled and to be financed. In
13 addition, if this goes forward, there will be a support
14 agreement for this interim period of two or three days where
15 Barclays Capital will be on premises, will be offering
16 oversight and in the sole discretion, may be willing to advance
17 some monies in the interim period.

18 So the problem we had, Your Honor, there are so many
19 different elements in this transaction that to do the usual
20 calculation of whether it should be two percent, three percent,
21 etcetera, became enormously complex during the course of the
22 proceedings. As Your Honor knows, as these transactions go up
23 in value, very often the breakup fee goes up in value. And
24 this -- if Your Honor just took the 1.7, I would say to Your
25 Honor, it's above three percent, clearly above three percent.